

STATE OF MICHIGAN

2014 FLEXIBLE SPENDING ACCOUNTS (FSAs) PLAN BOOKLET



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(FSAs) Plan Overview

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Dependent Care FSA

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Eligible Expenses

FSAs Can Save You Money On:



And So Much More...

CUSTOMER SERVICE CONTACTS

ENROLLMENT

MI HR Service Center

Lansing Area: (517) 335-0529
Toll Free: (877) 766-6447
Hearing Impaired: 711 Michigan
Relay
Fax: (517) 241-5892
Monday - Friday
7 a.m. - 6 p.m. EST

P.O. Box 30002
Lansing, MI 48909

LIFE EVENTS

Employee Benefits Division

Lansing Area: (517) 373-7977
Toll Free: (800) 505-5011
Fax: (517) 373-3174

Monday - Friday
8 a.m. - 5 p.m. EST

P.O. Box 30002
Lansing, MI 48909

ELIGIBILITY, CLAIMS & MORE

WageWorks®

Toll Free: (877) 924-3967
Monday - Friday
8 a.m. - 8 p.m. EST
www.wageworks.com

WageWorks® Claims Processing

Claims Administrator
P.O. Box 14053
Lexington, KY 40512
Toll Free Fax: (877) 353-9236

FLEXIBLE SPENDING ACCOUNTS (FSAs) PLAN OVERVIEW



How the Accounts Work

The State of Michigan's Flexible Spending Accounts (FSAs) allow you to set aside **pre-tax dollars** to pay for eligible out-of-pocket expenses for health care and dependent care. The State offers two types of FSAs:

Health Care FSAs allow you to put aside pre-tax dollars for health care expenses not covered by any medical, dental or vision care plan. These expenses are allowed for you and qualifying individuals. See [page 4](#) for a list of eligible Health Care FSA expenses.

Dependent Care FSAs allow you to put aside pre-tax dollars to cover child and/or elder care expenses for your eligible dependents so you can work. See [page 9](#) for a list of eligible Dependent Care expenses.

Advantages of FSAs

Lower taxable income. Your FSA contributions are deducted from your bi-weekly pay warrant on a pre-tax (tax-free) basis before Federal taxes, Social Security taxes (FICA), and Michigan state taxes have been applied. For example, if you earn \$3,000 and contribute \$200 to your Health Care FSA, you pay taxes on \$2,800.

Built-in budgeting. When you make your annual contribution, you have ensured that you will have money available for your anticipated eligible medical and dependent care expenses.

Increased tax savings. On your federal income tax return, you can only deduct medical expenses that exceed 7.5% of your adjusted gross income. Amounts up to \$2,500 can be contributed to a Health Care FSA and are reimbursable even for small amounts such as co-pays, prescription expenses, and other minor medical and dental expenses.

How to Calculate Your Contributions

Each year, estimate the amount of out-of-pocket health care and/or dependent care expenses you expect to incur in the next calendar year. To calculate the amount per pay period, divide your total yearly expense by the number of pay periods you choose to have the contributions deducted from your pay warrant.

Each pay period, the contribution amount is deposited into the appropriate FSA and reported to the Plan's claim processor, WageWorks®. Taxes are not paid on the amount you contribute to either FSA, and your annual taxable income is reduced by the amount of your contributions.

Eligibility

All State of Michigan employees can participate in FSAs with the exception of non-career and special personal services (SPS) employees; employees with an existing Health Savings Account (HSA) are not eligible for the Health Care FSA. Seasonal employees must ensure that the number of deductions elected does not exceed the number of pay periods you expect to be employed during the year; the account is continuous. Additionally, each employee must have sufficient earnings to cover the amount you choose to contribute to an account.

No "Double Deductions"

Health care and dependent care expenses can be reimbursed through your FSA or taken on your tax return as a medical deduction or as a dependent care tax credit, but they cannot be taken in both places.

Check with your tax advisor to see if a Dependent Care or Health Care FSA may be more advantageous than taking a credit on your tax return.

Annual Open Enrollment

You must enroll each year, even if you wish to elect the same annual contributions. If you do not enroll during FSA Open Enrollment in November, your plan participation will expire December 31st of the current plan year (calendar year).

Enrollment must be completed between November 1, 2013 and December 2, 2013. There are two easy ways to enroll:

- Online through MI HR Self-Service (www.mi.gov/selfserv)
- Contact the MI HR Service Center Lansing: (517) 335-0529, Toll Free: (877) 766-6447, Hearing Impaired: 711 for Michigan Relay Monday through Friday 7:00 a.m. - 6:00p.m.

Once the enrollment process is complete, you will receive a confirmation statement. You must retain this statement for your records. This confirmation statement is your only proof of successful enrollment.

At the end of December, you will receive correspondence from WageWorks® stating the annual contribution and plan(s) for which you are enrolled. Verify the accuracy of your contribution amount on your first pay warrant of the year.

Employees that complete FSA Open Enrollment and then experience a seasonal layoff or a leave of absence prior to January 1, 2014 will not be reported to WageWorks® and therefore must re-enroll within 31 days of your return to work.

FLEXIBLE SPENDING ACCOUNTS (FSAs) PLAN OVERVIEW



What To Know Before You Enroll

Your enrollment is effective through December 31, 2014. Once you enroll in an account, you cannot stop or change your deductions during the plan year, unless you experience a qualifying life event. Refer to [page 6](#) for Health Care FSA, or [page 10](#) for Dependent Care FSA. You can only be reimbursed for eligible expenses incurred from the effective date of your enrollment for the current plan year through March 15th of the following year.

Different rules apply to Health Care FSAs and Dependent Care FSAs. For eligible Health Care FSA expenses, refer to [page 4](#). For eligible Dependent Care FSA expenses refer to [page 9](#).

If your employment terminates before December 31, 2014, refer to [page 6](#) for options to continue your Health Care FSA. Dependent Care FSAs cannot be continued if your employment terminates.

Funds are not transferable between your Dependent Care FSA and your Health Care FSA. Also, you cannot transfer funds between your account and your spouse's account.

Estimate your expenses carefully. Do not contribute more than you can reasonably expect to spend on eligible expenses for the year. The IRS requires that you forfeit any funds left in your account after the reimbursement deadlines have expired. You will not be entitled to receive payment for the balance remaining in your account after all eligible expenses submitted by May 31, 2015, have been processed.

Your Contributions will lower your Social Security Wage Base. Your FSA contributions will lower your Social Security taxes. Since your Social Security taxes will be calculated after your FSA contributions are subtracted, your Social Security benefits may be slightly lowered.

Your State benefits are not affected. FSA contributions lower your taxable income, but they do not lower the amount of salary used to calculate your benefits, such as your Retirement Plan, Long-Term Disability and Group Life Insurance.

New Employee / Mid-Year Enrollment

New employees must contact the MI HR Service Center at (877) 766-6447 or (517) 335-0529 within 31 days of your hire date to enroll in an FSA. If you do not enroll during this initial eligibility period, you must wait until the next annual FSA open enrollment or until you experience a qualifying life event as described on [pages 6 and 10](#).

Note: Contributions to all plans, regardless of employer, cannot exceed the annual federal statutory limits.

Period of Coverage

If you are a current employee and you enrolled during FSA Open Enrollment, your coverage is effective from January 1 through December 31 of the following year.

If you are a newly hired employee, your coverage is effective the first day of the pay period after your enrollment is processed and ends December 31st of the current plan year.

If you have a qualifying life event and submit the [mid-year enrollment form](#) within 31 days, your coverage is effective the first day of the pay period after your enrollment is processed and ends December 31st of the current plan year.

Claims

Reimbursements may only be made for claims incurred during the period of coverage. Expenses are incurred when the medical care or dependent care is provided, not when the participant is billed or pays for the care.

Important differences to remember. You may use your full Health Care FSA annual goal at anytime throughout the coverage period, regardless of the amount contributed to date. However, you must have sufficient funds in your Dependent Care FSA account before a claim can be reimbursed.

FSA Grace Period

The IRS provides a grace period from January 1st through March 15th following the end of the current plan year.

Balances remaining in your 2014 FSAs may be used to reimburse eligible costs incurred during this period. Claims must be submitted by May 31, 2015 to be applied to your 2014 account balance.

Rehires / Recalls

Employees rehired or recalled within 30 days of their departure and within the same plan year, that had an FSA, must maintain their original annual goal, unless there is a qualifying life event; there will be no lapse in coverage. Contributions will be recalculated.

Employees rehired or recalled (excluding seasonal employees) after 30 days of their departure and within the same plan year, that had an FSA, will not be able to enroll until the next plan year.

Employees rehired or recalled that were not previously enrolled in the current plan year FSA(s), may contact the MI HR Service Center within 31 days of their rehire or recall date to enroll.

HEALTH CARE FSA



How the Account Works

The Health Care FSA can be used for you and qualifying individuals for eligible health, vision or dental expenses remaining *after* claims have been paid by any insurance plan. It does not replace your insurance plan.

Each year, estimate the amount of your expected out-of-pocket health care expenses. This is your annual goal. Determine the number of pay periods you wish to contribute (1 to 26). Divide your estimated annual goal amount by the number of pay periods to determine your bi-weekly contributions, as shown in this example:

Annual Goal	# of Pay Periods (PP)	PP Amount
\$2,500	÷ 25	= \$100.00
\$780	÷ 26	= \$30.00

Your Health Care FSA annual goal is available the effective date of your plan. See [page 3](#), "Period of Coverage".

Maximum Contribution Amount

For 2014, the maximum annual contribution is \$2,500 per employee.

Qualifying Individuals

Qualifying individuals under the Health Care FSA include your legal spouse and your child/children age 25 and under. Expenses for 25 year old children are only eligible up to the day they turn 26.

A qualifying individual also includes your parent or other individual as defined in IRS Code Section 105 (b), such as one who is physically or mentally unable to care for him or herself and is claimed by you as a dependent on your taxes.

Other Eligible Adult Individuals (OEAs) and their dependents are not qualifying individuals for FSAs.

Eligible Health Care Expenses

IRS code 213(d) defines eligible Health Care FSA expenses as costs incurred to diagnose, treat or prevent a specific medical condition, or for purposes of affecting any function or structure of the body.

This also includes prescription drugs and some over-the-counter items. However, medical expenses for vitamins, nutritional supplements or cosmetic purposes are not eligible without approved documentation of medical necessity.

Examples of *Eligible* Expenses

This is an abbreviated list of eligible expenses.

- Co-payments and deductibles
- Bandages
- Dental care
- Diabetic supplies and insulin
- Eye exams and glasses
- Laser eye surgery
- Orthodontia (*with copy of contract*)
- Over-the-counter (OTC) medications with a prescription
- Wigs for hair loss due to a disease



[Complete list of eligible expenses](#)

Examples of *Ineligible* Expenses:

This is an abbreviated list of ineligible expenses.

- Cosmetic expenses
- Expenses reimbursed by other insurance companies
- Insurance premiums
- Illegal or experimental treatments, operations or drugs
- Late payment fees
- Teeth whitening or bleaching
- Vitamins/nutritional supplements unless prescribed by your physician to treat a specific medical condition
- Weight reduction programs for general well being

Over-the-Counter (OTC) Medicines and Drugs

Health Care FSAs can only be used for OTC medicines and drugs, other than insulin, if they are prescribed by your health care provider.

You may use your WageWorks® Health Care Card to purchase OTC medicines at an Inventory Information Approval System (IIAS) approved pharmacy. You will need to present the prescription and the OTC medicine to the pharmacist, who will dispense the OTC medicine as a prescription.

If an OTC purchase is made at a non-IIAS pharmacy, you can pay for the OTC and submit the itemized receipt and doctor prescription with a WageWorks® [Pay Me Back Claim form](#) for reimbursement.

HEALTH CARE FSA



Examples of OTC Medicines and Drugs Requiring a Prescription:

This is an abbreviated list of OTCs requiring a doctor's prescription.

- Allergy and Sinus Medications
- Anti-diarrheal Medications
- Cold, Cough and Flu Products
- Hemorrhoid Remedies
- Pain Relief Products

OTC Supplies and Equipment

Medically needed OTC supplies and equipment are eligible expenses and do not require a prescription.

This is an abbreviated list of supplies and equipment.

- Crutches
- Contact Lens Solutions
- Band-Aids
- First Aid Kits

For a complete list of eligible and ineligible expenses, refer to WageWorks® website, [FSA Eligible Expenses](#).

Travel Expenses

Expenses for out-of-town travel for health care are eligible. This includes expenses for parking fees, tolls, airfare, lodging, rental cars, and mileage for use of a privately owned vehicle. However, you cannot be reimbursed for a trip or vacation taken for a change in environment, improvement of morale, or general improvement of health, even if you make a trip on the advice of a doctor.

Parking Fees and Tolls. A receipt for the parking fee and/or toll is required to substantiate the claim.

Airfare. A receipt for the airfare is required to substantiate the claim.

Lodging. You may submit a claim for the cost of lodging not provided in a hospital or similar institution. Lodging is reimbursable for a person traveling with the eligible dependent receiving medical care. The reimbursable amount allowed for lodging cannot be more than \$50 per night per person.

Mileage. Mileage can be reimbursed for trips to and from your health care provider. A visit to your pharmacy will be treated as a visit to your local health care provider. You may calculate the mileage at the rate of \$0.235 per mile. This rate is subject to subsequent IRS revisions.

Payment Options

WageWorks® Health Care Card

Present your Card to your health care provider to pay for office or prescription co-pays, and other eligible expenses.

Pay Me Back Claim

Submit a Health Care FSA Pay Me Back claim online by logging into your account at www.wageworks.com and selecting "Online Claims".

You also have the option to mail or fax a [claim form](#) to WageWorks®.

Along with the claim form, you must submit a provider supplied itemized bill or receipt showing the following:

- Patient name
- Provider name
- The type of service
- The date or dates services were provided
- The amount you were charged or your cost

Account statements must include previously stated detail for each expense if they are to be used in lieu of a receipt.

Note: For OTC drug prescriptions, the receipt must also include the prescription number. If not included, a copy of the prescription must accompany the receipt instead.

The Plan must be reimbursed for any improperly paid claims or unsubstantiated expenses.

Pay My Provider

Use this [payment option](#) to submit a claim to make a payment directly to your provider. You can request a one-time payment or recurring monthly payment for eligible services (e.g., chiropractic, orthodontia, etc.).

Mobile Apps

Participants with a smartphone can download the WageWorks® [EZ Receipts](#) app for free. The app will allow you to take a photo of an itemized receipt and submit it along with your claim.



HEALTH CARE FSA



Eligible Expense Period

Your 2014 FSA can only be used to reimburse eligible expenses incurred from the effective date of your enrollment through March 15, 2015. An eligible expense is incurred when the service or treatment has been performed. You cannot be reimbursed for expenses paid in advance, except for orthodontics. Pre-payment of orthodontics must occur in the same plan year that you request reimbursement.

Time Frame for Claim Reimbursement

Reimbursements for eligible expenses will be made within 5 business days after the claim is processed. All claims must be submitted by the end of the grace period to be eligible for reimbursement. If WageWorks® needs additional information, they will notify you in writing, and you will have 45 days to respond.

Appeal Process for Denied Claims

If a claim is denied, notification in writing is sent no later than 30 days after the receipt of the claim. If you disagree with the decision, you may file a written appeal with WageWorks® no later than 180 days of receipt of the denial letter. If you still disagree with the decision, you may file a written appeal with the Employee Benefits Division within 28 days from the date of the most recent denial.

Retirement, Layoff, or Separation

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) allows you to continue a Health Care FSA with pre-tax or after-tax contributions after losing eligibility to participate. Your continuation under COBRA lasts for the remainder of the plan year and corresponding grace period in which your qualifying event occurred.

The advantage of COBRA is to extend the time period for which Health Care FSA funds may be used. Without COBRA, claims incurred after your last day worked would not be eligible. For example, if you had a Health Care FSA benefit of \$1,000 and have only received \$200 in reimbursement at the end of employment, you may choose to pay the remainder of your annual goal from your last pay warrant. This allows your expenses to be eligible throughout the plan year and corresponding grace period.

If the full amount of your annual contribution has not been made before departure, you can make-up the remaining balance. The cost for continuation is paid monthly and is based on the amount you were contributing prior to departure. These contributions are after-tax dollars.

If you are retiring and want your remaining contributions taken from your last pay warrant, you must contact the Employee Benefits Division one month prior to your last day worked.

Qualifying Life Events

Qualifying life events are listed below:

Legal Marital Status. Change in your marital status, including marriage, legal separation, annulment, divorce or death of spouse.

Qualifying Individuals. Change in the number of your qualifying individuals including the birth or adoption of a child, gain or loss of custody, foster care or death.

Employment Status. Changes that effect eligibility of the employee or the employee's spouse or qualifying individual, such as commencement or termination of employment, or a change from full-time to part-time employment, or loss or gain of coverage.

Judgments, Decrees, Court Orders or Change in Legal Custody. Requirement by one of these legal documents to either add or terminate coverage for your dependent.

Eligibility for Medicare or Medicaid. If you become eligible or lose eligibility for Medicare or Medicaid.

Qualifying Life Event Changes

If you experience a qualifying life event, the IRS allows you to change your Health Care FSA annual contribution. This would result in more than one period of coverage within a plan year with eligible expenses reimbursed from the appropriate period of coverage. Money from a previous period of coverage can be combined with amounts after a permitted mid-year election change, however, expenses incurred before the election change can only be reimbursed from the amount of the balance present in the Health Care FSA prior to the change.

IRS rules also require that contribution changes during the plan year be made consistent with the qualifying life event. The Employee Benefits Division must be contacted within 31 days of the life event. You should be prepared to provide documentation of the change. The deduction change will be reflected in the pay period following the request.

Heroes Earnings Assistance and Relief Tax Act of 2008

Under the *Heroes Earnings Assistance and Relief Tax Act of 2008* (H.R. 6081), employees called to active military duty for a period of at least six months would be allowed to receive a taxable distribution of the Health Care FSA funds to avoid forfeiture.

WAGEWORKS® HEALTH CARE CARD



Using the Health Care Card

Use of the WageWorks® Health Care Card is voluntary and allows you to pay for purchases directly from your Health Care FSA account. The Card:

- Works like a credit/debit card, except the funds are deducted from your Health Care FSA account
- Allows you easy access to your account funds when costs are incurred

Request and retain itemized receipts for all purchases with your Card. WageWorks® may request a copy of your receipt to substantiate a claim. If an itemized receipt cannot be provided, you will be required to pay back the amount you were reimbursed. IRS regulations require you to save your itemized receipts for tax purposes.

The Card can be used at medical and dental offices, and also at retail establishments and pharmacies where an ILAS has been implemented. A listing of participating retailers can be found at www.wageworks.com.

Note: The Card is not available for Dependent Care FSAs.

Claims Substantiation

WageWorks® will notify you via mail or e-mail if documentation is required. Substantiating documentation is not required when:

- The Health Care Card payment matches the co-pay amount under your medical plan
- The Card payment matches your insurance carrier's electronic file (if applicable)

Health Care Card Activation

New participants in the 2014 Health Care FSA will receive a WageWorks® Health Care Card in December 2013, at no cost to the employee.

You must use the last four digits of your Employee ID# to activate the Card. Cards for your dependents are activated by using the last four digits of their Social Security Number, rather than the employees'.

Card Holder Agreement

In order to use the Card, you must agree to abide by the terms and conditions of the Plan, as set forth in the [Cardholder Agreement](#). This includes the limitations on Card usage, and the Plan's right to withhold and offset for ineligible claims. When you activate your Card, the [Cardholder Agreement](#) becomes a part of the terms and conditions of your Plan.

Reporting Lost Cards or Requesting Additional Cards

You may report a lost or stolen card or request additional cards for your spouse or qualifying individuals (over age 18), by calling the WageWorks® Customer Center at (877) 924-3967, Monday - Friday, 8 a.m. - 8 p.m. EST or through the WageWorks® website at www.wageworks.com. Once logged into your account, select the "Health Care" tab located at the top of the page and then "Request Additional Card" to complete the online request.

Note: There is no charge to you for the additional card.

Automatic Card De-Activation

WageWorks® Health Care Card

The Card will be automatically turned off if:

- Employment or coverage terminates, or
- You do not provide appropriate documentation that substantiates your claim when requested by WageWorks®, or
- The Card is used for an ineligible expense under the program.

Leave of Absence or Lost Time and Your Card

If you are placed on an unpaid leave of absence or experience lost time, your Card will remain available for your use while you are off.

You will be required to make up all of your missed contributions when you return to work. This is calculated by taking your annual goal prior to your leave then dividing the balance by the number of remaining pay periods in the plan year (calendar year).

If you return to work after the end of the plan year, the State of Michigan will collect the remaining amount due from your pay warrant on an after-tax basis. This will also occur if there are not enough pay periods remaining in the plan year to make-up your missed contributions.



DEPENDENT CARE FSA



How the Account Works

A Dependent Care FSA can be used to pay for day care expenses while you or your spouse are at work, looking for work or are at school. It can also be used for expenses such as local day camp, elder care, and care expenses for any incapacitated person you are eligible to claim on your income taxes. The Dependent Care FSA may not be used for medical expenses.

Each year, estimate the amount of your expected out-of-pocket dependent care expenses. This is your annual goal. Determine the number of pay periods you wish to contribute (1 to 26). Divide your estimated annual goal amount by the number of pay periods to determine your bi-weekly contributions. Example:

Annual Goal	# of Pay Periods (PP)	PP Amount
\$5,000	÷ 20	= \$250.00
\$3,900	÷ 26	= \$150.00

Maximum Contribution Amounts

Federal tax laws place limitations on the amount you can contribute to a Dependent Care FSA each plan year. You may choose an annual contribution up to the maximum family amount for which you qualify. Your maximum contribution depends upon your annual earnings, your tax filing status, your spouse's annual earnings and several other factors. The contribution maximums are:

- \$5,000 per year if you are married and filing jointly or a single parent.
- \$2,500 per year if you are married and filing a separate income tax return
- \$5,000 per year if you are filing single
- The lower of your two incomes, if either you or your spouse earns less than \$5,000 per year
- \$3,000 for one dependent or \$5,000 for two dependents if your spouse is a full-time student or incapable of self-care

It is your responsibility to ensure your annual contributions do not exceed the maximum amount allowed by the IRS.

Qualifying Individuals

A qualifying individual is:

- An individual age 12 or under who (a) lives with you; (b) does not provide over half of his/her own support; and (c) is your son, daughter, grandchild, step-child, brother, sister, niece, nephew or
- A spouse or other tax dependent (as defined in IRS Code Section 152) who is physically or mentally incapable of caring for himself or herself and who resides with you more than half of the year.

Typically, if you are divorced or separated, your child must be your dependent for whom you can claim an exemption on your tax return in order to be a qualifying individual.

Note: There is a special rule for children of divorced parents. If you are divorced, the child is only a qualifying individual of the "custodial" parent [as defined in IRS Code Section 152(e)].

If you are the *custodial parent*, you can treat your child as an eligible dependent even if you cannot claim the child as an exemption on your tax return. If you are the *non-custodial parent*, you cannot treat your child as a qualifying individual even if you can claim the child as an exemption on your tax return. See IRS guidelines for further details on this exception to the rule.

Other Eligible Adult Individuals (OEAs) and their dependents are not qualifying individuals for FSAs.

Federal Tax Reporting

Eligible dependent care expenses can be claimed on your income tax return or reimbursed from your FSA, but not both.

Amounts you contribute to a Dependent Care FSA are reported on your W-2 form. However, this does not mean you are taxed on your reimbursement. This notifies the IRS that the taxpayer should also be filing IRS Form 2441. This form requires you to list the name and taxpayer identification number or social security number of the dependent care provider(s) you used during the calendar year.

DEPENDENT CARE FSA



Eligible Dependent Care Expenses

Eligible expenses can only be incurred from your effective date of coverage through March 15, 2015. Any expenses not claimed will be forfeited.

Expenses must be incurred for the care of a qualifying individual (as described on [page 8](#)) and is incurred to enable you to be gainfully employed. Expenses for overnight stays or overnight camp are not eligible.

If daycare is provided outside the home and expenses are incurred for the care of a qualifying individual who is age 13 or older, such dependent must regularly spend at least 8 hours per day in your home.

Examples of Eligible Expenses

This is an abbreviated list of eligible expenses.

- Home-based licensed day care
- Licensed day care center (elder or child care)
- Nursery school
- Private babysitter in your home or theirs
- Private preschool program
- Providers of care for disabled dependents
- Public or private summer day camps

You can be reimbursed for day care expenses you pay to your child, age 19 or older, or any other individual you do not claim as a dependent on your income tax return. Immigrants who have a U.S. Social Security number can also be reimbursed if they have filed for and are waiting for their green card.

[Complete list of eligible expenses](#)

Examples of Ineligible Expenses

This is an abbreviated list of ineligible expenses.

- Babysitting for social events
- Late payment fees
- Care provided by your child under age 19 or any other person you claim as a dependent on your income tax return
- Cost of food, clothing, and diapers
- Cost of specialty or educational programs before or after school
- Expenses for overnight camps
- Expenses for which a dependent care tax credit is taken or expenses which are reimbursed under a Health Care FSA
- Expenses for education
- Placement fees, fees for sports lessons, field trips or clothing

For a complete list of eligible and ineligible expenses, refer to WageWorks® website, [FSA Eligible Expenses](#).

Payment Options

Pay Me Back Claim. Submit a Dependent Care Account Pay Me Back claim online by logging into your account at www.wageworks.com and selecting "Online Claims". You also have the option to mail or fax a [claim form](#) to WageWorks®. Along with the claim, you must submit an itemized receipt showing the following:

- The nature of the expense
- The date or dates the services were provided
- The amount of the expense

A taxpayer identification number for your dependent care service provider is not required on the Dependent Care FSA claim form. The Plan must be reimbursed for any improperly paid claims or unsubstantiated expenses.

Pay My Provider. Use this [payment option](#) to submit a claim to make a payment directly to your provider. You can request a one-time payment or recurring monthly payment for eligible services (e.g., day care).

Mobile Apps. Participants with a smartphone can download the WageWorks® [EZ Receipts](#) app for free. The app will allow you to take a photo of an itemized receipt and submit it along with your claim.

Time Frame for Claim Reimbursement

Reimbursements for eligible expenses will be made within 5 business days after the claim is processed. All claims must be submitted by the end of the grace period to be eligible for reimbursement. If WageWorks® needs additional information, they will notify you in writing, and you will have 45 days to submit the information.

Appeal Process for Denied Claims

If the claim is denied, you will receive notification in writing no later than 30 days after the receipt of the claim. If you disagree with the decision, you may file a written appeal with WageWorks® no later than 180 days after receipt of the denial letter. If you still disagree with their decision, you may file a written appeal with the Employee Benefits Division within 28 calendar days from the date of the most recent appeal denial.

DEPENDENT CARE FSA



Qualifying Life Events

Legal Marital Status. marital status change, including marriage, legal separation, annulment, divorce or death, where you have a change in the amount paid or number of dependents needing day care.

Qualifying Individuals. Change in the number of your qualifying individuals including the birth or adoption of a child, gain or loss of custody, foster care or death.

Care Modifications. Change in dependent care needs or number of dependents, dependent turning 13, or significant change in cost of dependent care.

Leave of Absence. Paid or unpaid leave of absence.

Employment Status. Changes that effect eligibility of the employee or employee's spouse, such as commencement or termination of employment, or a change from full-time to part-time employment, or loss or gain of coverage.

Leave of Absence

Your eligibility for the Dependent Care FSA ends on your last day of work. Expenses incurred while you are not actively at work will not be eligible for reimbursement.

If you return to work during the same calendar year, dependent care expenses incurred are again eligible for reimbursement. Your contributions will restart at the same bi-weekly contribution in place before you left, unless you request a change due to a life event. If you are using annual leave or sick leave and are still receiving pay but would like your Dependent Care FSA to stop, contact the Employee Benefits Division.

Qualifying Life Event Changes

If you experience a qualifying life event, the IRS allows you to change your Dependent Care FSA annual contribution.

IRS rules also require that contribution changes during the plan year be made consistent with the qualifying life event. This means that your annual contribution can be increased to add the costs for a new dependent for the remainder of the calendar year. However, the annual contribution cannot be increased for both the cost of the added dependent and to make up costs incurred prior to the life event.

The Employee Benefits Division must be contacted within 31 days of the life event. You should be prepared to provide documentation of the change. The deduction change will be reflected in the pay period following the request.

